### VIRGINIA:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	CNX Gas Company, LLC	) VIRGINIA GAS ) AND OIL BOARD
RELIEF SOUGHT:	MODIFICATION OF BEATRICE MINE	;
	SEALED GOB ORDER	) DOCKET NO. VGOE ) 96-0618-0545-01
LEGAL DESCRIPT	CON:	)
DRILLING	UNIT NUMBER P-25	)
(herein '	'Subject Drilling Unit")	)
GARDEN MA	GISTERIAL DISTRICT,	)
KEEN MOUN	)	
BUCHANAN	COUNTY, VIRGINIA	)
(the "Sub	oject Lands" are more	j
particula	arly described on Exhibit A,	)
<del>-</del>	hereto and made a part hereof	)

## REPORT OF THE BOARD

## FINDINGS AND ORDER

- 1. <u>Hearing Date and Place</u>: This matter came on for final hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on June 17, 2008 at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, Virginia.
- 2. <u>Appearances</u>: Mark A. Swartz of SWARTZ Law Offices, PLLC appeared for the Applicant; Leslie K. Arrington testified on behalf of the Applicant; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
- Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. The Board has caused notice of the docket items set for hearings on June 17, 2008, including this matter to be published as required by Va. Code \$45.1-361.19.B. The Board also finds upon the evidence presented by Applicant, that the Applicant has (1) exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) represented it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations,

partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22, to notice of the Application filed herein; and (3) that the persons listed in the Notice of Hearing have been identified by Applicant through its due diligence as Owners and/or Claimants of Coalbed Methane Gas interests in Subject Formations and Subject Drilling Unit. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

- 4. Amendments: None.
- 5. Dismissals: None.
- 6. Relief Requested: Applicant requests that the Board modify the Order it entered in Docket No. VGOB 96-0618-0545 on the 6<sup>th</sup> day of November, 1996 as follows: (1) to exempt the P-25 well drilled at the location shown on the Well Location Plat submitted with the above referenced Application from the allowable production limit imposed by paragraph 6.a. of the Order entered in Docket No. VGOB 96-0618-0545; and (2) to allow the Operator to produce and market coalbed methane gas from said P-25 well under the Oakwood I Field Rules.
- 7. Relief Granted: The Applicant's requested relief in this cause shall be and hereby is granted: The Board hereby modifies the Order it entered in Docket No. VGOB 96-0618-0545 on the 6<sup>th</sup> day of November, 1996 as follows: (1) The Applicant/Operator's production from the P-25 well drilled at the location shown on the Well Location Plat submitted with the above referenced Application be and the same is hereby exempted from the allowable production limit imposed by paragraph 6.a. of the Order entered by the Board in Docket No. VGOB 96-0618-0545; and (2) The Operator shall produce and market coalbed methane gas from said P-25 well under and consistent with the terms of the Board's Oakwood I Field Rules, as amended, and its permit for P-25.
- 8. <u>Special Findings:</u> The Board specifically and specially finds:
  - 8.1 Leslie K. Arrington testified at the hearing with regard to the location of the P-25 well in relation to the Beatrice Mine works.
  - 8.2 Based on the testimony of Mr. Arrington and a review of the information depicted upon the P-25 Well Location Plat, the map of the Boundaries of the Beatrice SG Field, and location of the Beatrice Mine works and solid coal areas within the boundaries of the Beatrice SG Field, the P-25 well is drilled through a solid block of coal in the Pocahontas No. 3 seam of coal.
  - 8.3 As such, the well bore is not located within the void spaces created by mining within the Beatrice Mine.
  - 3.4 Leslie K. Arrington testified that the P-25 well was stimulated and fractured. He further testified that when it was stimulated and fractured, it did not lose pressure. He therefore concluded that the well was not in indirect communication with the void spaces in the Beatrice mine.
  - 8.5 The relief requested and granted is just and reasonable, is

supported by substantial evidence and will afford all gas and oil owners, coal owners, mineral owners and/or potential owners, the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Oakwood I Field Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Coalbed Methane Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

- 9. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by Unit Operator to each Respondent named in the Notice of Hearing whose address is known.
- 10. <u>Conclusion</u>: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 11. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.
- 22. <u>Effective Date</u>: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 24 day of day of majority of the Virginia Gas and Oil Board. by a

Chairman Bradley C. Lambert

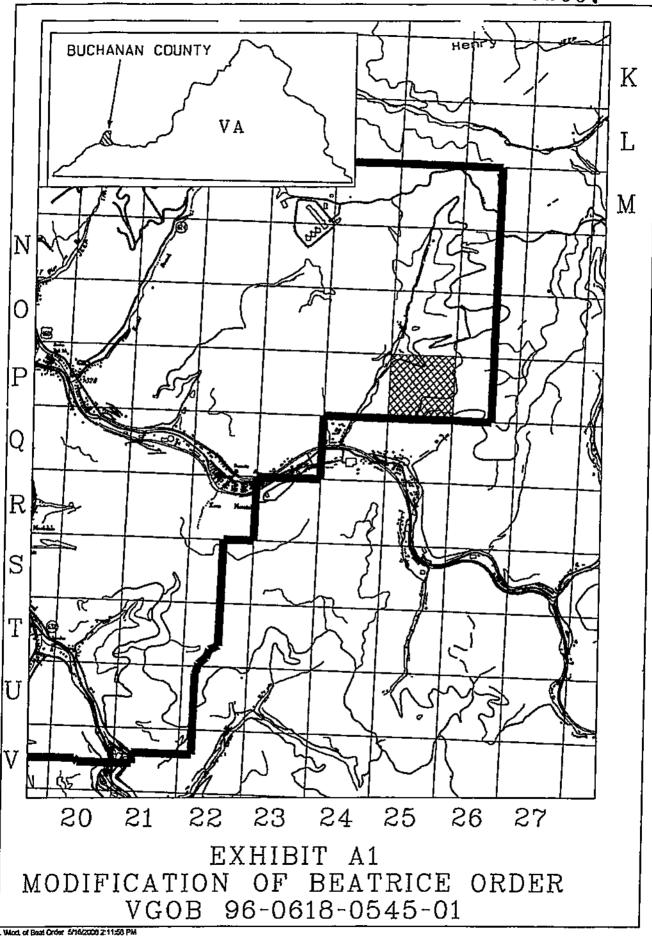
DONE AND PERFORMED this 28th day of September, 2015, by Order of this Board.

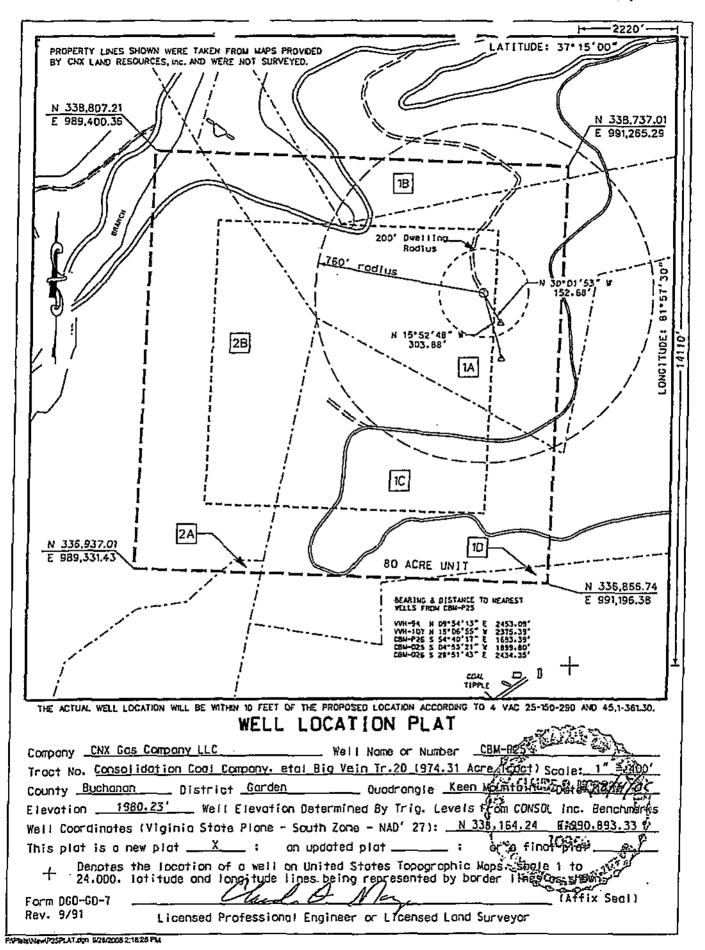
Rick Cooper

Principal Executive To The Staff,

Virginia Gas and Oil Board

STATE OF VIRGINIA COUNTY OF RUSE!	)		
Acknowledged on personally before me Virginia, appeared Busay that he is Chair executed the same and	itch C. Lambert, b man of the Virgin	in and for the C eing duly sworn ia Gas and Oil 1	Commonwealth of did depose and
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		y Public	SILL GILMED
My commission expires:	: July 31, 2017		T A SHI REAL WAY
STATE OF VIRGINIA COUNTY OF Russell	)		A STATE OF THE STA
Acknowledged on personally before me Virginia, appeared Ri	this 28th day of a notary public in	in and for the C	ommonwealth of
that he is Chairman of	f the Virginia Gas	and Oil Board, th	at he executed
the same and was autho	orized to do so	Jessee Gilmer	Dne
		Public	************
		•	WAH JESSES
My commission expires:	: July 31, 2017		NOTARY OF PUBLIC STATES MY CONTROL OF THE PUBLIC STATES MY CONTROL OF THE PUBLIC STATES AND THE PUBLIC STATES
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# CNX Gas Company LLC UNIT P-25

# Tract Identifications

- Consolidation Coal Company, et al Tr. 100 (702 Acre Tract) All Minerals Plum Creek Timberlands, L.P., et al - Oil, Gas and CBM Island Creek Coal Company/Consol Energy, Inc. - Coal Below Tiller Seam Leased Jewell Smokeless Coal Corporation - Coal In Tiller and Above Leased EOG Resources, Inc. - Oil and Gas Leased CNX Gas Company LLC - CBM Leased 54.34 acres 67.9250%
- 1A. CNX Gas Company LLC, et al Surface
- 1B. Fincastle Mining Inc. Surface
- 1C. Island Creek Coal Company Surface
- 1D. Fincastle Mining Inc. Surface
- Consolidation Coal Company, et al Tr. 20 (974.31 Acre Tract) -- All Minerals
  Plum Creek Timberlands, L.P., et al -- Oll, Gas and CBM
  Island Creek Coal Company/Consol Energy, Inc. Coal Below Tiller Seam Leased
  Jewell Smokeless Coal Corporation -- Coal In Tiller and Above Leased
  EOG Resources, Inc. Oll and Gas Leased
  CNX Gas Company LLC CBM Leased
  25.66 acres
  32.0750%
- 2A. Unknown Surface Owner
- 2B. Unknown Surface Owner

### Exhibit B Unit P-25 Voluntary Unit List of all Owners/Claimants

			Acres In Unit	Percent of Unit
ı.	COAL	OWNERSHIP		
	Tract #1	1, <u>54,34 acres</u>		
	(1)	Yukon Pocahontas Coal Co., et al., Tr.100	54.34 acres	67.9250%
	(a	) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24851	27.17 acres 1/2 of 54.34 acres	33.9625%
	(b)	) Buchanan Coal Company P.O. Box 187 Tazewelf, VA 24651	8.04 acres 1/9 of 54.34 acres	7.5472%
	(c)	Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24851	3.02 acres 1/18 of 54,34 acres	3.7736%
	(d)	Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24631	18.11 acres 1/3 of 54.34 acres	22.8417%
	Note: Plum Creek Timberlands retained their CBM interest.			
	Tract #2	2. 25,66 acres		
	(1)	Yukon Pocahontas Coal Co., et al., Tr.20	25.66 acres	32.0750%
	(a)	Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	12.83 acres 1/2 of 25.66 acres	16.0375%
	(b)	Buchanan Cost Company P.O. Box 187 Tazewell, VA 24551	2.65 acres 1/9 of 25.68 acres	3.5639%
	(c)	Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	1.43 acres 1/18 of 25.66 acres	1.7819%
	(d)	Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24831	8.55 ecres 1/3 of 25.66 ecres	10.6917%
		Note: Plum Creek Timberlands retained their CBM inter	esL	
ır.	OIL & C	SAS_OWNERSHIP		
	Tract #1	, 54.34 acres		
	(1)	Yukon Pocahontas Coat Co., et al., Tr.100	54.34 acres	67.9250%
	(a)	Yukon Pocahontas Coel Company P.O. Box 187 Tazewell, VA 24651	27.17 acres 1/2 of 54.34 acres	33.9625%
	(b)	Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	6.04 acres 1/9 of 54.34 acres	7.5472%
	(c)	Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	3.02 acres 1/18 of 54.34 acres	3.7736%
	(d)	Highland Resources, Inc/ North American Resources, Cor One Concourse Parkway, NE, Suite 755 Atlanta, GA 30328	18.11 acres 1/3 of 54.34 acres	22.6417%
	Note: Plum Creek Timberlands retained their CBM interest. Highland Resources, Inc. / North American Resources, Corp. is owner of the Oil & Gas			Oli & Gas O
	Tract#2	25.66 acres		
	(1)	Yukon Pocahontas Coal Co., et at., Tr.20	25.66 acres	32.0750%
	(a)	Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	12.83 acres 1/2 of 25.58 acres	16.0375%

### Exhibit B Unit P-25 Voluntary Unit List of all Owners/Claimants

		Acres in Unit	Percent of Unit
(b) Buchanan P.O. Box 1 Tazeweii, 1	<del></del>	2.85 acres 1/9 of 25.86 acres	3.5639%
(c) Sayers-Po P.O. Box 1 Tazewell, \	•	1.43 acres 1/18 of 25.66 acres	1.7819%
	esources, Inc/ North American Resources, Cor nurse Parkway, NE, Suite 755 \ 30328	8.55 acres 1/3 of 25.66 acres	10.6917%

Note: Plum Creek Timberlands retained their CBM interest.
Highland Resources, Inc. / North American Resources, Corp. is owner of the Oil & Gas Oi

INSTRUMENT #150001667
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 9, 2015 AT 04:40PM

BEVERLY S. TILLER, CLERK RECORDED BY: GGB